



The force of habit

– Central governance of the county administrative boards

Background

The Swedish National Audit Office has reviewed the central governance of the county administrative boards.

The fact that the county administrative boards constitute 21 independent government agencies with a broad mission makes it especially challenging for the Government to manage them. It has been highlighted in several contexts that the county administrative boards are not given the right conditions to conduct long-term and sustainable operations. Changes in the organisation of the county administrative boards have been discussed for several years, but no changes have been made in the basic structure.

The aim has therefore been to examine how the central governance of the county administrative boards is functioning and whether it is effective.

The results of the audit

The overall conclusion of the National Audit Office is that the Government does not have a sufficiently developed holistic perspective on the governance of the county administrative boards. Instead, the governance of the county administrative boards follows the same template as that of other government agencies, without sufficient consideration of the fact that the county administrative boards have a much broader mission and that they do not constitute one, but twenty-one separate agencies. The governance is consequently sectorial and inadequately adapted to the operations. The audit reveals that each respective ministry is striving to have the

county administrative boards conduct activities in accordance with the goals and priorities set within the limited area of that ministry. The aim is then primarily set for an appropriate governance within each area.

Because the governance is sectorial, it becomes ambiguous, and it is hard for the county administrative boards to read the Government's intentions. It is difficult to gain an overview of the governance, as it is spread across several comprehensive missions and ordinances, and it is extensive, for example due to very comprehensive appropriation directions. In addition, the funding is difficult to grasp, as it consists of relatively small administrative appropriations along with a number of different supplementary sources of funding.

The Government's method of governance limits the county administrative boards' possibilities of conducting long-term sustainable operations. The detailed governance and significant grant funding of the county administrative boards make it difficult for the boards to plan their activities efficiently and for the long term. This makes it hard, for example, for the boards to set their own priorities, to distribute funding within the agency and to recruit and keep skilled staff. Many of these problems have been known for close to 15 years. But the audit shows that the central government, by allowing the county administrative boards freer disposal of certain allocated funds, has created better conditions for the county administrative boards' operational planning.

In many regards, the Government treats the county administrative boards as if they were one single government agency. This is a convenient way for the Government to manage twenty-one government agencies with a common mission, but the audit reveals that the current practice has its weaknesses. Communication between the county administrative boards and the Government Offices is for example done largely through the boards' county director groups rather than with the county management. The liaison county directors from the county director groups are thereby given a central role in the control chain. The system is not formally regulated, but largely based on trust. The problem is that trust in the system is not prevalent throughout the county administrative boards as a whole. If the Government wishes to retain the benefits of the current system, it is important to take measures in order for the county administrative boards to perceive it as legitimate.

Recommendations

The Swedish National Audit Office's assessment is that the central governance of the county administrative boards can be made more effective. The Government should give the county administrative boards better conditions to handle their undertakings by developing its

governance of the boards, regardless of whether the Government chooses to change the organisation of the county administrative boards. In order for the governance of the county administrative boards to be effectively managed, it is our assessment that each steering signal needs to be put into a wider context of what the Government intends to do with the county administrative boards. The Government also needs to take into consideration how each separate signal affects the possibilities of the county administrative boards to conduct long-term sustainable activities. The audit shows that some coordination of the governance of county administrative boards is done within the Government Offices – which the Swedish National Audit Office considers to be positive – but that this is not sufficient to achieve a holistic perspective for governance. The Swedish National Audit Office is therefore issuing a number of recommendations to the Government, the Government Offices and the county administrative boards.

Recommendations to the Government

- In order to create a better overall idea of the county administrative boards' tasks and funding, the Government should strive to combine the missions for the boards as far as possible in their joint appropriation directions. The appropriation directions would then be supplemented with missions for the county administrative boards, which can currently only be discerned from the appropriation directions of other agencies and special government decisions concerning the boards.

Recommendations to the Government Offices

- The Government Offices' coordination of governance for the county administrative boards should be developed in order to reinforce the holistic perspective on their governance. One possibility would be to use the inter-ministerial working group for county administration matters to a greater extent in order to discuss, for example, the amount and composition of commissions and possible conflicting objectives.
- The Government Offices should continue working actively to reduce the proportion of grant funding. As part of the efforts to determine which form of funding is the most effective, the Government Offices should carefully monitor what consequences the introduction of disposal rights have had for the county administrative boards.
- In order to clarify the general mission and role of the county administrative boards, the Swedish National Audit Office is recommending the Government Offices to formulate a number of principles as a guide to the ministries in examining which tasks the boards should be responsible for. This could contribute to making the governance more holistic and strategic.
- One way of increasing the legitimacy of the Government's method of governing the county administrative boards is to improve transparency in the control chain. The Government Offices should therefore develop guidelines for how strategic contacts with the county administrative boards are to be handled and documented.

- The individual and common regular agency dialogues with the county administrative boards constitute central links in the control chain and should always be documented within the Government Offices, both in order to facilitate accountability and to enable knowledge transfer within the Government Offices.

Recommendations to the county administrative boards

- In order to build and maintain trust within the joint organisation of the county administrative boards, the boards should set clear principles for how the boards will be represented in the county director groups and clarify the mandates of the county directors.